App F IX 1

19 52-53
(c m)

File No 34-52

Serial Nos 5, 8,

Previous References
c m 41-51-4

Later References

GENERAL AND REVENUE SECRETARIAT

Serial Nos 3

Part B for Dec 52

SUBJECT

Exemption of members of the Armed Forces from payment of Entertainment-tax

L/5818/G 13-12-52

Pl. 18/C)

The Secy, to the Govt of India
Ministry of Defence
New Delhi

Dec 52

Exemption of the members of the Armed Forces from payment of entertainments tax

General and Revenue Secretariat

File No 4517/Genl of 1952 53

V D 010852—GPB—30 000—14 7 50

Serial No

C.M 34-52 S

From

The Secretary to the G.O.I, Ministry of Defence, New Delhi

No. F 84/51/D (Coord) dt 10/11-9-52

Regret for a Recess duration

the question

Collection C.M 41-51 (Sls 38 4) on the subject as past cp

2) on a Reference received from the G.O.I on January '52 to exempt from payment of entertainments tax members of the Armed Forces (Collection thereof) as entertainment clothes also

flag "T" (a Reply was sent as no. h 14235/C.M 41-51-4 of 4.8.52 to the effect that as the Myscore Act does not contain any provision for exempting any person or class of persons from the levy, the ~~question of exemption members of Armed Forces is not possible~~ are not exempt from the tax and the question of exempting members of the Armed Forces in entertainment clothes does not arise

3) The G.O.I now requests for a reconsideration of the case and wants the Govt to agree to grant exemption from entertainments tax to Armed

NO L—Con n Sheet

Exemption of members of Armed Forces from payment of Entertainments Tax

File No 4617/61 of 19 | General and Revenue Secretariat

Serial No

Forces personnel etc comparable for the purpose Reasons Set-out in Chief Secretary's letter

4) It has already been pointed out in the covering letter (paras 8 and 11 of the notes) that the Selective Employment Tax Act does not contain any provision for exempting any person or class of persons from payment of the tax and provides only for exempting any show or entertainment organised for educational, or charitable purposes

5) If the suggestion of the G.O.C. to exempt members of Armed Forces etc comparable is to be accepted the Act may perhaps have to be amended

6) The Law Secretary may be consulted

Chief 17/9/52 7) I agree with Para 5 & mean the amendment to the Entertainment 17/9 Tax Act for orders whether the proposal of the G.O.C. may be accepted

Secy 22/9

Secy 8) The Law may be suitably amended to provide for the exemption mentioned in the letter of the G.O.C. The further action to be taken may be approved thereafter

Secy 22/9/52

6331

Serial No

6 331/7L

OFFICE OF THE MINISTER FOR PUBLIC HEALTH & LOCAL SELF GOVERNMENT
22 2 52
No 2970

9) We may agree
24/9/52
259

10) I also agree
2/10/52
3/10/52
310

11) Draft Letter to the GOI is put up for approval After the issue of the Letter further action will be taken to amend the Act
Rao 7/10/52
7/X/52

12) 7/10

Secy (Defence) 13) I have
8/10/52
Secy

To
The Secretary to the Govt of India
Ministry of Defence
New Delhi
D 11271/c M 34 52-8
sanctions 13-10-52

14) Letter to the GOI agreeing to exempt Armed personnel in Central forces from Entertainments Tax has issued

15) The Rajkot Amusements Tax Act does not contemplate the grant of

NOTE—Contn Sheet

Exemptions of Armed Forces personnel on compulsory Savings Bank Scheme from Income Tax.

File No 1846/LD (4517 Pt 1) 52-53 of 19

General and Revenue Secretariat

Serial No

Exemptions to any person or class of persons from Income Tax in order to exempt the Armed Forces personnel from compulsory savings bank scheme from Income Tax, the Act has to be amended

16) A draft of an amendment is put up for consideration with the Law Department

Rec 15/10/52

Sent 16/10/52

17) 17/10

18) Secy (Def) Law Secy.

17/10/52

Sent

19) Secy 18/10

Rec 21/10

Sent R S C Mas 20/10/52

20 OCT 1952

with a brief Statement of objects & Reasons

20) A revised draft amendment Bill is put up for consideration.

Rec 3/11

Mas 3 11 52

21) (Law Secy)

Rec 3/11

7432 4 NOV 1952

22) This Act of 1932 was the subject of an Amending Bill in the recent LA Session but that Bill has been passed or dropped? If no action has happened but is still on the anvil, this Bill may be incorporated with that, so that in

Exemption of Armed Forces Personnel on ambarm from Entertainment Tax

General and Revenue Secretariat

File No 1846/L D of 19

[App F III 2

WD 014428—GPB—40 000—13-7-51

Serial No

the next session, we might present only one Bill & not two Amending Bills in respect of the same Act

Sd/ 5/11

Sd/ 6/11

Sec R S C Mas 6/11/52

Subd -

23) The Mysore Amusements Tax (Amendment) Bill, 1952 was published in a Gazette Extra ordinary dated 14th oct 1952 but it was not introduced in the Legislature at the last session held in october 1952

24) The present draft amendment Bill has been prepared by the Legislative Dept in accordance with rule 39 of the Mysore Govt Business Rules and it is submitted that it has to go through the extra procedure prescribed in rules 40 to 45 of the aforesaid rules before it can be finalised

25) If the proposed amendment is also approved by the council then there will be no difficulty in incorporating this amendment also in the other amendment Bill which has already been approved in council and presenting one Bill to the Legislature

Sd/ 12/11

Mas 12 11 52

(Law Secy)

Sd/ 12/11

26) For further action to get approval of the Govt present bill

Secy (Leg)

Sd/ 12/11

Sd/ 12/11

LAW DEPARTMENT 11 41 12 NOV 1952

NOTE—Contn Sheet

Exemption of Members of the Armed forces from payment of Entertainment Tax

4517/me

File No 4517/Ta of 19

General and Revenue Secretariat

Serial No

27) The draft amendment to the Bill exempting the armed forces from payment of amusement tax may be approved This is a Council matter After approval this will be submitted to the Chief Minister

13/11/52

13/11

28) 16.11.52

17/11/52

OFFICE OF THE MINISTER FOR PUBLIC [illegible] SELF GOVERNMENT 14 NOV 52 No. 5145

Office of the Chief Minister No. 4824 Date of Receipt 18-11-52

29) The Bill, if introduced in the Legislature, will occasion debate which may not bring credit and goodwill to the Army It is such a small matter, not worthwhile pressing, especially on the floor of the Legislature by way of an Exemption Bill

30) These are the days of equal treatment Constitution has guaranteed equality, of opportunity and treatment There is a special provision guaranteeing to every citizen equality before law All these points will be raised in the Legislature during the discussion on the Bill The Government will be hard put to defend the measure and get it passed I therefore, feel that this Bill need not be taken up for consideration A letter has to be addressed to the Government of India accordingly

31) It is true that this Government had agreed to

4577 4567

Exemption of Armed Forces Personnel in uniform from Entertainment Tax

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the proposal previously On a reconsideration of the matter, I think it is desirable to drop the Bill for two reasons (1) It is undesirable to drag the Armed Forces into ~~political~~ controversies on the floor of the Legislature ~~and~~ before the public It is impossible to avoid discussion once the Bill is put before the Legislature (2) The concession involved is very small If it is argued that a psychological goodwill will be produced among the Service personnel if this concession is given, it can be argued with equal force that this preferential treatment will be looked upon by the rest of the population as invidious

4824

3) Concessions may be given in other spheres where a simple administrative order is sufficient A legislative enactment to give an exemption of this kind would put the Service personnel in an embarrassing position

23 11 52

24/11/52

3) Note for L S & dp #) I agree 25/11

30/11/52

4) Draft a letter to GOI

2/12/52

3/12

5) Draft Letter to Secy G.O.I. Defence Secretary of Defence to put up for approval

9/12/52

Secy

11/12

OFFICE OF THE MINISTER FOR PUBLIC RELATIONS AND SELF CO 23 JAN No 5459

SECRETARY TO GOVERNMENT L S O D PARTMENT 17

SECRETARY TO GOVERNMENT 549 11 DEC 1952 L S O D PARTMENT

4517
All

Exemption of members of the Armed forces from payment of Entertainment-Tax

To the Secretary to the Govt of India
Ministry of Defence
New Delhi
L 15818/EM 34-52-II dated 10-12-52
directs to inform

Def
23/12

B

Regd- 1614

No. F.84/51/D(Coord)
Government of India,
Ministry of Defence,
New Delhi, the 10th September 1952.

To

The Secretary to the Government of West Bengal, Finance Department (Taxation), CALCUTTA.

The Secretary to Government of Mysore, L.S.G. Department, BENGALORE.

The Chief Commissioner for Kutch, BHUJ.

The Secretary to the Government of Manipur, IMPHAL.

The Chief Commissioner for Tripura (Finance Deptt), TRIPURA.

GENERAL & REVENUE SECRETARIAT
4517
13SEP1952
MUNICIPAL BRANCH

SUBJECT:- Exemption of members of the Armed Forces from payment of Entertainment Tax.

Sir,

I am directed to refer to the State Governments marginally quoted letter on the above subject, and to request reconsideration of the question on the following grounds:-

West Bengal Government letter No. 116-F,T., dated the 18th January, 1952. Government of Mysore letter No. L.14235/C.K 41-51-4, dated the 4th March, 1952. Government of Kutch letter No. P/2-52, dated the 28th February, 1952. Government of Manipur letter No. Tax/41(1)/51/19, dated the 28th February, 1952. Government of Tripura letter No. Fin/4905, dated the 29th April, 1952. 1-Misc/63.	(i) the grant of exemption from Entertainment Tax to members of the Armed Forces attending places of entertainment in uniform has been a long established practice in most of the States in India. It was in existance even before the War and continues even now. It may be of interest to note that this concession exists in many other countries.

(ii) On further consideration, the Government of India have decided not to press for exemption in the case of Service personnel not in uniform. In other words, the scope of the concession has been limited.

(iii) The concession is largely of a psychological nature and tends to create a feeling of a preferential treatment among service personnel, which is conductive to high morale, and recruitment to the Armed Forces.

(iv) Its financial effect on the State Revenues would be inconsiderable, especially if the eligibility is confined only to Military personnel, in uniform.

Officers are hardly likely to change into unifrom in the evenings merely for securing the concession. It will, therefore, be confined largely to Other Ranks. Furthermore, Service Personnel are not always located in Stations where cinemas and other places of entertainment exist or vice versa. This in itself restricts the use of the concession. In larger cantonments where there is any appreciable - concentration of troops, the military authorities invariably run their own cinemas which render the concessio nugatory.

P.T.O.

generally, therefore, there is no danger of the concession being misused or overused.

(v) In the present case, the fact that the concession is not given in certain States is likely to create in the minds of Armed Forces personnel serving in those States the mistaken impression that a uniformly generous treatment is not given to them throughout the country.

2. In view of the reasons explained above, it is earnestly hoped that the State Government would agree to grant exemption from entertainment tax to Armed Forces personnel in uniform.

3. The decision of the State Government may be communicated at an early date.

Yours faithfully,

(N.P.BIJLANI)
Under Secretary to the Government of India.

No. L 11271 /CA 34152-E 8

Dt 18/10/52

To

The Secretary to the Govt
of India
Ministry of Defence
New Delhi

Subject Exemption of members of the Armed Forces from payment of entertainments tax

Sir

With reference to your Letter No F 84/51/10 (Coord) dated 10/11-9-52 on the above subject I am directed to state that this Govt is agreeable to grant exemption from entertainments tax to Armed Forces personnel in uniform

As already explained in this office Letter No. L 14235/CA 41-51-4 dated 4 3 52, the Mysore Act does not contemplate the grant of exemption to any person or class of persons from this tax The Act therefore requires to be suitably amended before the concession can be extended to the members of the Armed Forces

Necessary legislation will

Therefore
I the undersigned Board do provide
for Each of exemptions as the Act

yours faithfully

L S G Secy

7/10/52

11/10/52

L.1127/ ç ĸ 34 S 2 8 11th October 2

xxxxxxxxxxxxxx

From

The Secretary to Government,
L.S.G. Department

To

The Secretary to the Government of India,
Ministry of Defence,
NEW DELHI

Sir,

Subject - exemption of Members of the Armed Forces from payment of Entertainments Tax

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With reference to your letter No.F 84/51/D.(Coord) dated the 10/11th September 1952, on the above subject, I am directed to state that this Government is agreeable to grant exemption from Entertainments Tax to Armed Forces Personnel in uniform

2 As already explained in this office letter No L 14235/C II. 41-51-4 dated 4th March 1952, the Mysore Act does not contemplate the grant of exemption to any person or class of persons from this Tax. The Act, therefore, requires to be suitably amended before the concession can be extended to the Members of the Armed Forces

3. Necessary legislation will, therefore, be undertaken soon to provide for such an exemption in the Act.

Yours faithfully,

(A. S. KHALDELO)
Secretary to Government,
L & G. Department.

LNS.2 11/10.

Dn. I.

15818 /CM 34-52-11
dt 13/12/52

To

The Secretary to the Govt of India
Ministry of Defence
New Delhi.

Subject: Exemption of Members of the Armed Forces from payment of Entertainment Tax

Sir

In continuation of this office letter no L 11271/CM. 34-52 dated 13.10.52 on the above subject I am directed to state that Govt having agreed to grant exemption from entertainment tax to Armed Forces personnel in cantonments for consideration of question of amendment of Rent Control Act (Local Govt) for implementation

I am to send herewith a copy of the Bill introduced in the Legislature on 11 December 1952 which may not bring credit

goodwill of the Army. It is therefore felt that this is a small matter not worthwhile pressing, especially on the floor of the Legislature by way of an Exemption Bill

The main reason given for pressing such a concession is the psychological good-will produced in the minds of the Armed Forces personnel and the general public by such a measure. Whilst a considerable general Contentment is not denied to the Community All the same it is felt Cannot be ignored that preferential Treatment might not be the Armed Forces accepted by the Courts upon by the rest of the people as undesirable

On a Consideration of this matter it is felt that it is not necessary desirable to press with the amendment of the Act for these reasons: (1) that it is not desirable to drag the Armed Forces into Controversy on the floor of the Legislature and before the public and (2) that the Concession involved is very small. In view of these facts the concession for grant of Exemption from ordinary Civil Liabilities and the undertakings of Legislative measures may not be pressed further as it falls the Service Personnel

To be worthy of being pursued in such circumstances

Cé as embarrassing position
Concessions may be given in other
spheres where a friendly understanding
order will be sufficient

Yours sincerely
11/12/51
H. S. G. Lacy
9/12/51
11/12

15818/C M 34-52-11

8 13/12/53

The Secretary to the Government of India,
Ministry of Defence,
NEW DELHI

Subject Exemption of Members of the Armed Forces from payment of Entertainments Tax

In continuation of this office letter No L 11271/CM 34-52-8 dated 13th October 1952 on the above subject, I am directed to state that this Government having agreed to grant exemption from entertainments tax to Amed Forces personnel in uniform took up for consideration the question of amending the local Act for its implementation

2 The Bill for the amendment of the Act, if introduced in the legislature will occassion debate which may not brig credit and goodwill to the Army It is therefore felt that this is a small matter not worthwhile pressing, especially on the floor of legislature by way of an exemption Bill

3. The main reason given for showing such a concession is the psychological goodwill it is expected to produce in the minds of the Armed Forces personnel and the ~~renewal~~ removal of the mistaken impression that a uniformity generous treatment is not being accorded to them throughout the country All the same the fact cannot be ignored that this preferential treatment meted out to the Armed Forces is apt to be looked upon by the rest of the people as invidious.

4 On a reconsideration of the matter this Government thinks that it is not necessary to proceed with the amendment of the Act for two reasons viz (1) that it is not desirable to drag the Armed Forces into controversies on the floor of the legislature and before

the public and (2) that the concession involved is very small to be worthy of being pursued in such circumstances In view of these facts the concessior for grant of exemption from ertertainments Tax which involves the undertaking of legislative measures may not be pressed further as it puts the service personnel in an embarrassing position Concession may be given in other sphere where a simple administrative order will be sufficient

Yours faithfully,

(G V K Rao)
Secretary to Government,
L S G Department.

knr-2/12/12